

## 8. INVESTING IN EDUCATION AND TRAINING

*We have worked on a simple strategy for education. We believe in high standards. We believe in high expectations. We believe in high levels of opportunity. We believe in high technology. And we believe the doors of college should be open to every single American citizen.*

President Clinton  
February 1996

Today's most successful workers are those with technical skills and a firm educational footing who continue to learn throughout their careers in order to compete successfully in this fast-changing economy.

In recent years, education and wages have become increasingly intertwined. Generally, those with the best skills and education have made steady progress, enjoying higher living standards. Those without the requisite skills and education have fallen behind. Tomorrow's workers face an even greater challenge: As the very nature of work changes with technological innovation, employers will demand even more highly-skilled workers. The best-paying jobs increasingly will go only to those with education and training beyond high school.

For the most part, our Nation places responsibility for education and training on State and local governments, families and individuals, and the private sector. Nevertheless, the Federal Government plays a crucial, if limited, role in providing education for a lifetime—from pre-school to adult career training.

Federal resources help States improve the quality of education and training for the disadvantaged and people with disabilities; support State- and locally-designed elementary and secondary school reform; and help low- and middle-income families gain financial access to postsecondary education and skill training through loans and grants. To help States raise student achievement, the President has consistently worked to make schools

safer, improve teacher quality, move technology into the classroom as quickly as possible, raise academic standards, and better prepare students for college and the new workplace.

The budget reaffirms the President's long-standing commitment to education and training. It builds on previous legislative and management reforms, and continues support for policies that the President has articulated since assuming office in 1993.

Over seven years, the budget proposes \$311 billion for education and training, \$61 billion more than the 1996 congressional budget resolution (see Chart 8-1). For selected programs, the budget proposes an increase of \$5.9 billion, or 24 percent, over the 1993 level (see Table 8-1).

The Education Department's programs play a key role in the Nation's efforts to improve the quality of elementary and secondary education for all children, and to help low- and middle-income families pay for postsecondary education and skill training. For 1997, the budget proposes \$25.6 billion in discretionary funds for department programs.

### Preparing Children for School

**Head Start:** A healthy, caring family environment is the best preparation for school. For over 30 years, Head Start has helped families create this environment by taking a comprehensive approach to child development—improving children's learning skills, health, nutrition, and social competency. Head Start involves parents in their children's learning,

**Table 8-1. THE BUDGET INCREASES SPENDING ON MAJOR EDUCATION AND TRAINING PROGRAMS BY \$3.4 BILLION, OR 13 PERCENT, OVER 1995, AND BY \$5.9 BILLION, OR 24 PERCENT, SINCE 1993**

(Budget authority, dollar amounts in millions)

	1993 Actual	1995 Actual	1996 Estimate <sup>1</sup>	1997 Proposed	Dollar Change: 1995 to 1997	Percent Change: 1995 to 1997	Dollar Change: 1993 to 1997	Percent Change: 1993 to 1997
Head Start .....	2,776	3,534	3,631	3,981	+447	+13%	+1,205	+43%
Goals 2000 .....		372	486	491	+119	+32%	+491	NA
Charter Schools .....		6	20	40	+34	+567%	+40	NA
Title I—Ed for disadvantaged .....	6,709	7,228	7,328	7,679	+451	+6%	+970	+14%
Education Technology .....		56	74	357	+301	+538%	+357	NA
Safe and Drug-Free Schools .....	582	466	500	540	+74	+16%	-42	-10%
Special education .....	2,966	3,253	3,342	3,553	+300	+9%	+587	+20%
Eisenhower/Ch. 2 teacher training .....	682	599	599	610	+11	+2%	-72	-11%
Summer jobs for youth .....	849	867	635	871	+4	+*	+22	+3%
Job Corps .....	966	1,089	1,121	1,154	+65	+6%	+188	+19%
Out-of-School Youth .....				250	+250	NA	+250	NA
School-to-Work opportunities .....		245	372	400	+155	+63%	+400	NA
Vocational and adult education ....	1,474	1,383	1,383	1,420	+37	+3%	-54	-4%
Adult/dislocated worker training ..	1,666	2,226	2,176	2,240	+14	+1%	+574	+34%
Honors scholarships .....				130	+130	NA	+130	NA
Pell grants <sup>2</sup> .....	5,633	5,444	6,189	6,425	+981	+18%	+792	+14%
College work-study .....	616	617	617	679	+62	+10%	+63	+10%
<b>Total .....</b>	<b>24,919</b>	<b>27,385</b>	<b>28,473</b>	<b>30,820</b>	<b>+3,435</b>	<b>+13%</b>	<b>+5,901</b>	<b>+24%</b>
Student loans (dollar amount of loans, in millions):								
New loans:								
Direct loans .....		5,200	10,400	13,200	+8,000	+154%	+13,200	NA
Guaranteed loans .....	16,100	18,500	14,800	13,200	-5,300	-29%	-2,900	-18%
Loan consolidations .....	1,500	3,400	4,900	6,100	+2,700	+79%	+4,600	+307%
<b>Total loan volume .....</b>	<b>17,600</b>	<b>27,100</b>	<b>30,100</b>	<b>32,500</b>	<b>+5,400</b>	<b>+20%</b>	<b>+14,900</b>	<b>+85%</b>

NA = Not applicable.

\* Less than \$500 thousand or 0.5 percent.

<sup>1</sup> Includes Administration's proposed adjustments to 1996 continuing resolution levels.

<sup>2</sup> To permit comparability, data are shown at the program level, not budget authority.

and links children and their families to a wide array of services in their communities.

To ensure that all Head Start programs consistently deliver the high-quality services needed to produce good results for children, the President proposed, and Congress enacted, major quality improvements in 1994. This budget builds on these important gains by continuing to support local efforts to improve the quality of instruction, attract and retain better workers, improve child-to-staff ratios, and upgrade facilities.

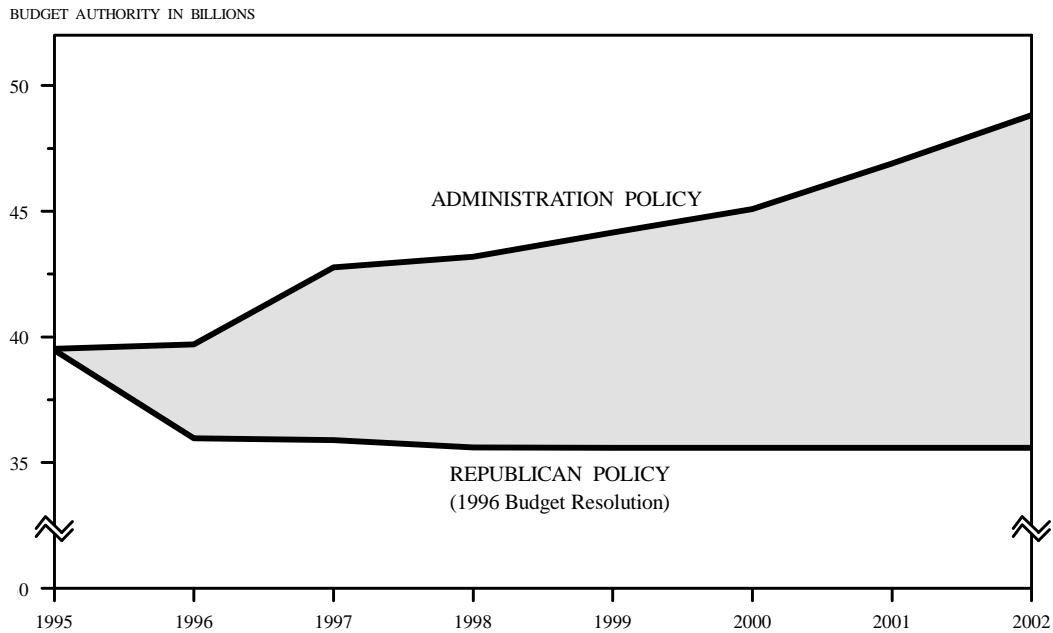
The budget proposes \$3.98 billion for Head Start, \$447 million more than in 1995, which would enable another 46,000 children to par-

ticipate. The budget proposes to enable a million children to participate by 2002 (see Chart 8-2).

### Elementary and Secondary Education

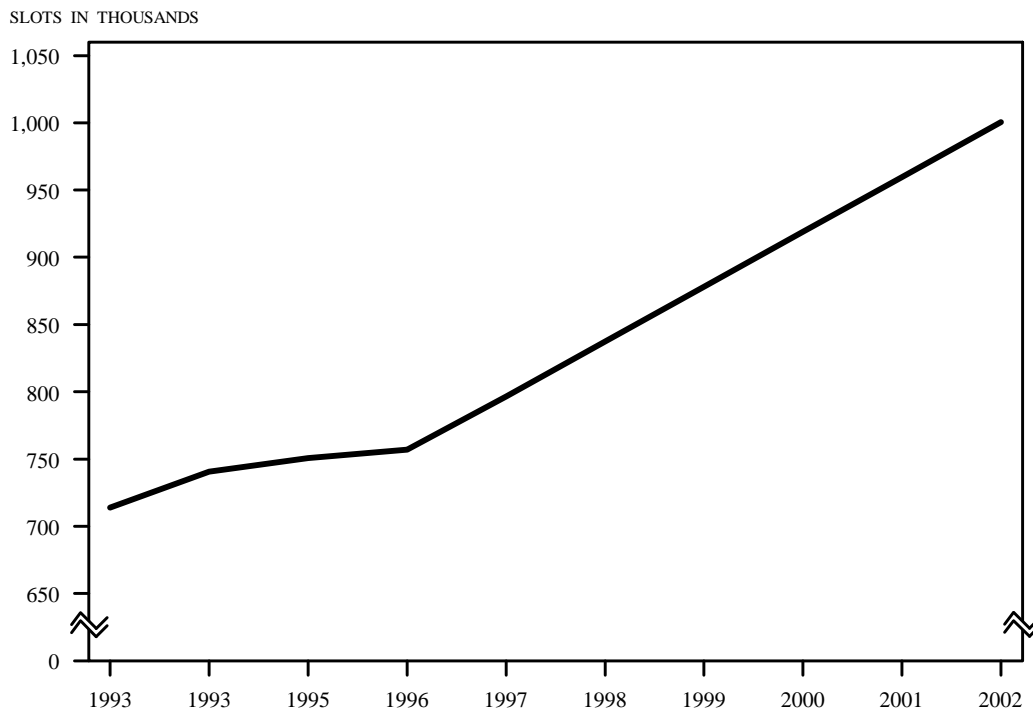
Education is a national priority and a State and local responsibility. Americans widely support State and local control of elementary and secondary education. At the same time, the Federal Government over the years has helped to improve areas of critical concern to all Americans, such as teacher education or schooling for low-income children or those with disabilities.

**Chart 8-1. THE BUDGET MAINTAINS LONG-RANGE COMMITMENT TO EDUCATION AND TRAINING: \$61 BILLION OVER REPUBLICAN PLAN, 1996-2002**



Notes: Discretionary budget authority, function 500: Education, Training, & Social Services. Includes Education Department, Labor Department training, Head Start, national service, and other activities.  
Because of anomalies in technical estimates for the Pell program, 1996 and 1997 include program level instead of budget authority.

**Chart 8-2. 46 THOUSAND NEW HEAD START OPPORTUNITIES FOR CHILDREN IN 1997 OVER 1995; ONE MILLION BY 2002**



This Administration has energized State and local efforts to raise the educational achievement of every child and to create safe learning environments. It also has worked with Congress to improve the largest Federal education programs for disadvantaged children, focusing them more on results and less on process.

**Goals 2000:** This Administration initiative, enacted in 1994, supports State efforts to raise academic achievement for all students. Goals 2000 helps States and communities focus on results. It builds on the National Education Goals, first articulated by the Nation's governors (led by then-Governor Bill Clinton) and President Bush in 1989, which provide clear targets but encourage States to develop their own means to achieve them.

States and localities receive funds to set their own challenging academic standards for all children, then design their curriculum, teacher training, educational technology, instruction methods, and assessment tools around them. Goals 2000 also helps States and schools involve parents in the education of their children. Currently, nearly all States participate in the program.

The budget proposes \$491 million for the program, 32 percent more than in 1995. Under it, every State and over 12,000 schools could receive grants.

**Charter Schools:** Charter schools are public schools that parents, teachers, and communities create, and that States free from most rules and regulations and hold accountable for raising student achievement. Begun as a grassroots movement in 1991, and supported by Federal start-up funds since 1995, public charter schools now number 250 nationwide,

some of them already showing results in higher student test scores and lower drop-out rates. The budget proposes \$40 million for public charter schools in 1997, and increases over the next five years to fund start-up costs for up to 3,000 such new schools.

**Title I—Education for the Disadvantaged:** Title I provides funds to raise the educational achievement of disadvantaged children. In 1994, the President proposed and Congress adopted changes to: focus Title I resources better on areas with the largest concentrations of low-income children; set the same high standards for those children as for all others; and hold schools accountable for progress toward achieving those standards. Schools now have much more flexibility in using these funds. The budget includes \$7.7 billion, six percent more than in 1995.

**Education Technology:** Technology can expand learning opportunities for all students and help raise student achievement. Yet many school districts lack the necessary resources to integrate technology fully into their school curricula.

The President has launched a national mission to ensure that all children are technologically literate by the dawn of the 21st Century, with communication, math, science, and critical thinking skills essential to succeed in the Information Age. Specifically, the President proposes a Technology Literacy Challenge Fund, with four goals: (1) helping States put enough computers in every classroom; (2) connecting these computers to the Information Superhighway; (3) giving teachers the training they need to integrate technology into teaching; and (4) fostering the development of high quality, widely available edu-

#### HOW STATES USE GOALS 2000 TO ADVANCE THEIR REFORMS

In Maryland, scores on tests designed to measure progress toward the State's standards are increasing year after year.

In Michigan, 13 Upper Peninsula school districts are working with Bay Mills Community College and Lake Superior University to train teachers to use technology to improve math and science teaching and learning.

In Harrison County, Kentucky, Goals 2000 is helping train parents as volunteer instructional aides and reaching out to parents through cable television programs and homework hotlines.

cational software. To be eligible for Federal funds, a State must meet three challenges:

- develop a strategy that enables every school in the State to meet the four goals by the dawn of the 21st Century, complete with benchmarks and timetables;
- demonstrate significant private sector participation and commitments that should at least match the amount of Federal support; and
- publicly report at the end of every school year on progress in achieving its benchmarks.

The budget requests \$250 million for the Challenge Fund in 1997, and \$2 billion over five years.

The budget also expands the successful Technology Learning Challenge program, which in 1995 began providing school-centered, public-private partnerships with matching Federal funds to support projects that integrate technology into the curriculum. In 1995, \$10 million funded 19 partnerships and leveraged over \$70 million in other public- and private-sector resources. The budget provides \$75 million for the program.

**Teacher Training:** The Eisenhower Professional Development program helps States invest in training teachers and other educators so that they, in turn, can help all children reach the State's challenging academic standards. The President proposed, and Congress enacted, major improvements in 1994 to ensure that the training is of high enough quality and sufficient duration to pay off in the classroom. For this purpose, the budget combines funding for the Eisenhower program with general funds now in Title VI of the Elementary and Secondary Education Act; all told, it provides \$610 million for these activities.

**Safe and Drug-Free Schools and Communities:** Students can reach their full potential only if they can learn in safe and disciplined environments. This program helps 97 percent of the Nation's school districts implement anti-drug and anti-violence programs in our schools. It helps students resolve conflicts before they escalate into tragedy, teaches them the dangers of drug use, and helps schools in-

crease security measures. The budget includes \$540 million for this program, a \$74 million increase over the 1995 level.

**Special Education:** States have made considerable progress in providing children with disabilities "free appropriate public education," as the Individuals with Disabilities Education Act (IDEA) calls for. The primary challenge now is to improve the quality of that education so that children with disabilities can, as much as possible, meet challenging standards that have been established for all children, and be prepared to lead productive, independent adult lives.

To that end, the Administration proposed amendments to IDEA in 1995 to link individualized education programs to participation in the general curriculum; require that children with disabilities be included in State- and district-wide assessment programs; and give States and schools greater flexibility to use IDEA funds to meet children's needs in the regular classroom.

The budget provides \$3.6 billion for special education, nine percent more than in 1995.

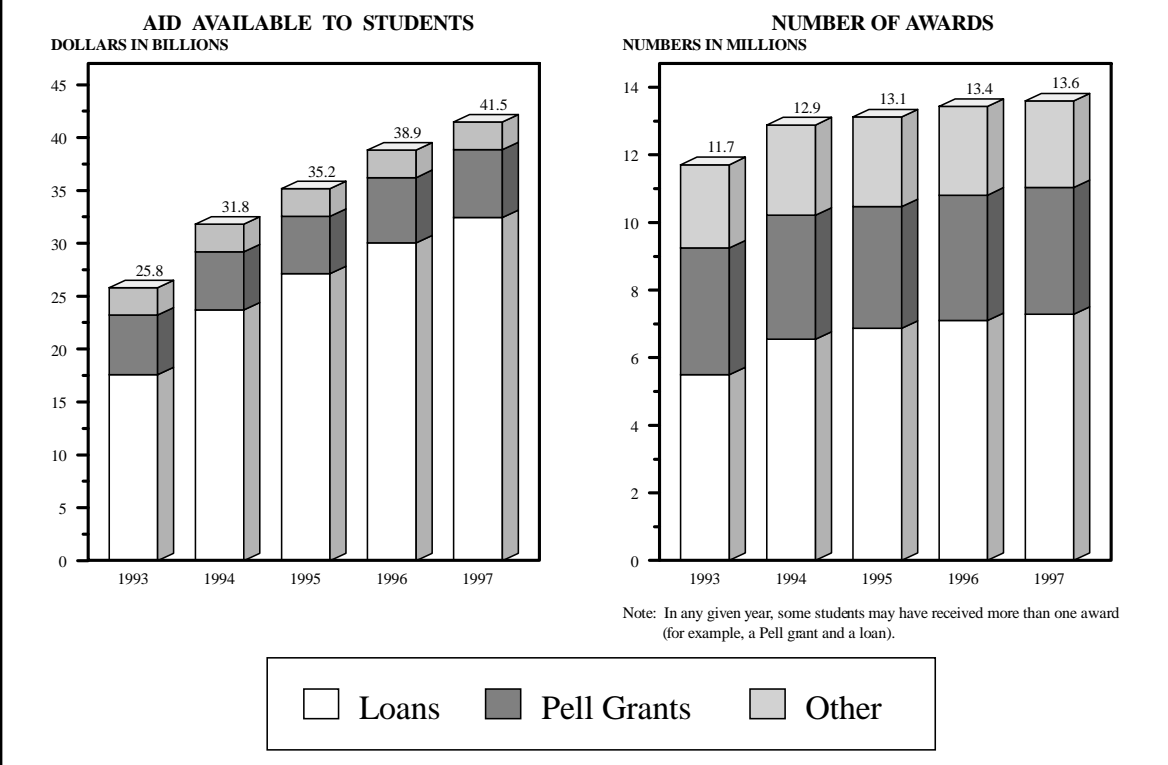
### Postsecondary Education

The Federal Government's primary roles in postsecondary education and skill training are to (1) help students finance their education; and (2) help ensure the availability of skill training and access to good jobs for youth and adults, including dislocated workers. (For information on skill training, see the section on the G.I. Bill for America's Workers.)

Postsecondary costs continue to climb rapidly, outpacing the ability of many working families to meet them without sizable assistance. To that end, the budget proposes more aid to more individuals than ever before (see Chart 8-3). It also proposes a phased-in, \$10,000 tax deduction to help families pay for education and career training beyond high school. (For more details on the tax deduction, see Chapter 12.)

**Student Loans:** An estimated 5.7 million individuals will borrow over \$32 billion through the Federal student loan programs in 1997. Families at any income level can receive loans, but needy students can get interest sub-

**CHART 8-3. THE BUDGET PROVIDES UNPRECEDENTED AMOUNTS OF STUDENT FINANCIAL AID TO HELP MORE STUDENTS PAY FOR POSTSECONDARY EDUCATION AND TRAINING**



sidies. The loans finance study toward undergraduate or graduate degrees, or short-term vocational training programs. The annual maximum loan amount varies from \$2,625 for a first-year student financially dependent on his or her parents, to \$18,500 for a graduate or professional program student.

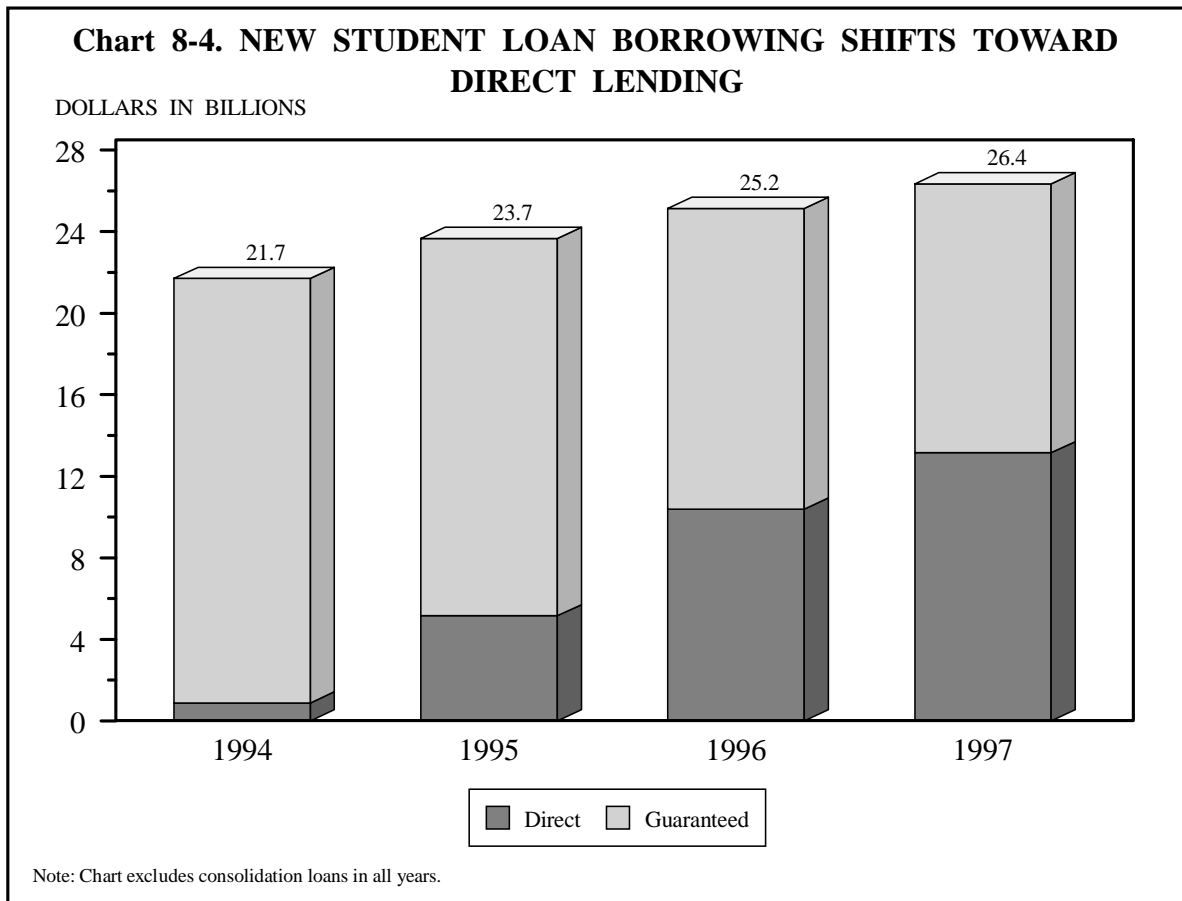
Eligible institutions of higher education may participate in either the Federal Direct Loan Program (FDLP) or the Federal Family Education Loan Program (FFELP). FDLP, enacted at the President's request in 1993, offers an efficient, streamlined, low-cost system for students, parents, and schools. It also offers flexible repayment options for students, including repayment based on income. The Education Department estimates that direct loans will make up half of total loan volume in academic year 1996-97 (see Chart 8-4).

The FFELP, created in 1965, is a bank-based program, with over 7,000 commercial

and other lenders receiving Federal guarantees through 36 non-profit and State intermediaries, 90 secondary markets eventually holding most loans, and dozens of servicing companies. Federal and school administrative burdens and complexities are much greater and costlier under FFELP.

The budget proposes legislative changes to both programs to save money without increasing costs or curtailing benefits to borrowers.

**Pell Grants:** Pell grants provide need-based grants to low- and middle-income undergraduates for associate and bachelors degree programs and vocational training. In the 1995-96 academic year, about 3.6 million students, a fifth of all college students, are receiving grants. Over 61 percent of the recipients come from families with incomes under \$15,000, and over 90 percent from families with incomes under \$30,000.



Pell grants help raise the participation and graduation rates of low-income students in postsecondary programs. Recipients from the poorest families are twice as likely to earn a bachelor's degree as are college students from similar families without grants.

For 1997, the budget would raise the maximum Pell grant to \$2,700, a \$360 increase over 1995. It also would continue to raise the maximum award by three percent a year, providing a maximum award of \$3,128 in 2002.

**Presidential Honors Scholarships:** The President proposes to create an achievement-based scholarship program, rewarding the best and the brightest of high school students. This program would grant \$1,000 honors awards to the top five percent of graduating students in every secondary school in the Nation, making clear the Government's commitment to excellence for all children. The budget requests \$130 million for this program.

**College Work-Study:** Work-study helps needy undergraduate and graduate students through part-time employment, rewarding their hard work and commitment to education. The President proposes a significant expansion over the next four years, enabling the program to serve a million students a year by 2000. The budget proposes \$679 million, 10 percent more than in 1995.

#### **G.I. Bill for America's Workers**

Most people change jobs and get new skills by themselves or through employers. For others who need help, the Federal Government has supported State and private efforts over the last 30 years to provide it, but with mixed results.

Last year, the President proposed to dramatically overhaul the complex, inefficient structure of Federal job training programs through the G.I. Bill for America's Workers. It would consolidate some 70 programs into a single, integrated workforce development

system. It would make the programs more effective by cutting bureaucracy, streamlining administration, and improving accountability by freeing States and localities to focus on results, not process.

As of this writing, Congress was considering legislation based on the principles of the G.I. Bill. House- and Senate-passed bills differ, but final legislation should embody the President's vision of fostering individual opportunity by: giving workers the resources—i.e., Skill Grants—and information they need to make good training choices; providing access to employment services through customer-friendly, “One-stop” career centers; and designing youth programs based on the School-to-Work Opportunities Act. But, because the new law may not take full effect until 1998, the budget proposes funding for the separate programs that would remain in place until then.

The budget provides sizeable new support for those with the biggest job problems—out-of-school youth in low-income areas—building on lessons of the past and relying on locally-tailored designs. It proposes to maintain support for programs that come under the G.I. Bill. To ensure that employers comply with Federal workplace laws, it maintains, and often substantially reforms, enforcement programs.

***Out-of-School Youth Opportunities Program:*** Recognizing the special problems of out-of-school youth, the budget proposes \$250 million for new competitive grants to the lowest-income urban and rural areas with major youth unemployment problems. These communities would have to provide matching funds from State, local, or private sources. The Labor Department would award funds based on the quality of applications—that is, to those with the best chance of substantially increasing employment among youth in the area.

In a related proposal, the Administration's plan to fund a second round of Empowerment Zones and Enterprise Communities for distressed communities includes \$50 million for the Labor Department to support a “Jobs for Residents” component. (For more information on the Empowerment Zones and Enterprise Communities program, see Chapter 5.)

***School-to-Work:*** School-to-Work, which the Education and Labor Departments administer jointly, gives States and communities competitive grants to build comprehensive systems to help young people move from high school to careers or postsecondary training and education. Young people can prepare for high-skill, high-wage careers; receive top-quality academic and occupational training; and pursue more education or training. And businesses get the trained workers they need to stay globally competitive.

By mid-1996, 27 States and 91 local partnerships will have received grants to implement their school-to-work systems. The budget proposes \$400 million for the program, a 63 percent increase over 1995. With it, the Government could allocate implementation grants to nearly every State.

***Summer Youth:*** The Summer Youth Employment and Training Program (SYETP) gives many urban and rural disadvantaged students their first work experiences, and localities may include an academic component that reenforces the skills they have learned during the school year. Under the G.I. Bill, SYETP would continue to provide these services, but would be fully integrated into each local school-to-work system.

For 1996, Congress sought to eliminate SYETP, but the President is committed to ensuring that it continues. The budget expands the program to provide 574,000 opportunities for the summer of 1997.

***Job Corps:*** The Job Corps provides intensive skill training, academic and social education, and support services to severely disadvantaged young people in a controlled residential setting. The budget provides \$1.2 billion to fund opportunities for 68,000 young people.

***Dislocated Workers and Low-Income Adult Training:*** The budget proposes \$2.2 billion for Job Training Partnership Act programs that provide training, job search assistance, and related services to laid-off workers and economically disadvantaged adults. When the new workforce development system begins operating in 1998, these funds would finance, among other things, Skill Grants with which adults pay for the training of their choice.